

FISCAL NOTE

Bill #: HB0009

Title: Replace social security number with drivers license number, request federal waiver.

Primary

Sponsor: Hal Harper

Status: As Introduced

| | | | |
|-------------------|------|-----------------------------|------|
| Sponsor signature | Date | Dave Lewis, Budget Director | Date |
|-------------------|------|-----------------------------|------|

Fiscal Summary

| | <u>FY2001 Difference</u> | <u>FY2002 Difference</u> | <u>FY2003 Difference</u> |
|--|------------------------------|------------------------------|------------------------------|
| Expenditures: | | | |
| State Special Revenue | (\$3,151,700) | (\$4,209,654) | (\$4,330,940) |
| Federal Special Revenue | (\$52,413,506) | (\$53,171,680) | (\$53,407,119) |
| Revenue: | | | |
| State Special Revenue | (\$3,151,700) | (\$4,209,654) | (\$4,330,940) |
| Federal Special Revenue | (\$52,413,506) | (\$53,171,680) | (\$53,407,119) |
| Net Impact on General Fund Balance: | -0- | -0- | -0- |

| <u>Yes</u> | <u>No</u> | | <u>Yes</u> | <u>No</u> | |
|------------|-----------|----------------------------------|------------|-----------|-------------------------------|
| | x | Significant Local Gov. Impact | | x | Technical Concerns |
| | x | Included in the Executive Budget | x | | Significant Long-Term Impacts |

HUMAN AND COMMUNITY SERVICES DIVISION - PROGRAM 2

FISCAL IMPACT:

| | <u>FY2001 Difference</u> | <u>FY2002 Difference</u> | <u>FY2003 Difference</u> |
|------------------------------|------------------------------|------------------------------|------------------------------|
| <u>Expenditures:</u> | | | |
| Benefits | (\$45,000,000) | (\$45,000,000) | (\$45,000,000) |
| <u>Funding:</u> | | | |
| Federal Special Revenue (03) | (\$45,000,000) | (\$45,000,000) | (\$45,000,000) |

Revenues:

| | | | |
|------------------------------|----------------|----------------|----------------|
| Federal Special Revenue (03) | (\$45,000,000) | (\$45,000,000) | (\$45,000,000) |
|------------------------------|----------------|----------------|----------------|

Net Impact to Fund Balance (Revenue minus Expenditure):

None.

Fiscal AnalysisASSUMPTIONS:

1. This legislation requires the Department of Public Health and Human Services to seek an exemption to this federal requirement. If the exemption is granted then the fiscal impact in the note is not applicable. In the event that the exemption is not granted then the fiscal impact of the note applies. Exemptions are granted for three-year periods.
2. TANF Funding has been at \$45,000,000 since 1998, the amount of TANF Funding used in this fiscal note for SFY 02 & 03 is based on historical information. The actual TANF Funding is unknown for SFY 02 & 03 as revisions as reevaluation of the Personal Responsibility and Work Opportunity Reconciliation ACT (PRWORA) has not been completed.
3. Human and Community Services Division State Plan requires that the IV-D Agency (Child Support Enforcement) be in compliance with the Federal Regulations that govern the IV-D agency. The Social Security Numbers are a compliance issue for the IV-D state plan.
4. Failure to have a compliant IV-D Agency State Plan subjects the TANF Funding to be lost
5. Fish, Wildlife, and Parks (FWP) has spent, and continues to spend, considerable time communicating with sports people about the requirements of the current law. Existing program budgets have covered the cost of this effort. An exact amount is not known.

CHILD SUPPORT ENFORCEMENT DIVISION - PROGRAM 5

FISCAL IMPACT:

| | <u>FY2001 Difference</u> | <u>FY2002 Difference</u> | <u>FY2003 Difference</u> |
|----------------------|------------------------------|------------------------------|------------------------------|
| <u>Expenditures:</u> | | | |
| TOTAL | (\$10,565,206) | (\$12,381,334) | (\$12,738,059) |

Funding:

| | | | |
|------------------------------|----------------------|----------------------|----------------------|
| State Special Revenue (02) | (\$3,151,700) | (\$4,209,654) | (\$4,330,940) |
| Federal Special Revenue (03) | <u>(\$7,413,506)</u> | <u>(\$8,171,680)</u> | <u>(\$8,407,119)</u> |
| TOTAL | (\$10,565,206) | (\$12,381,334) | (\$12,738,059) |

Revenues:

| | | | |
|------------------------------|----------------------|----------------------|----------------------|
| State Special Revenue (02) | (\$3,151,700) | (\$4,209,654) | (\$4,330,940) |
| Federal Special Revenue (03) | <u>(\$7,413,506)</u> | <u>(\$8,171,680)</u> | <u>(\$8,407,119)</u> |
| TOTAL | (\$10,565,206) | (\$12,381,334) | (\$12,738,059) |

Net Impact to Fund Balance (Revenue minus Expenditure):

None.

(continued)

Fiscal Analysis

ASSUMPTIONS:

1. IV-D agency is funded under a mixture of the Federal Financial Participation (FFP) of 66% federal funds 34% state funds.
2. Disapproval of the IV-D state plan for non-compliance would subject the program to loss of its federal funds.
3. The state special revenue is derived from the federal government in the form of incentives paid on performance. The state share of TANF collections also comprises the state special revenue and is reimbursed to the state from the federal government in the amount of the federal financial participation rate or 34% of cost recovery for TANF collections. This funding would also be subject to loss for non compliance with the state plan requirements.
4. Several states have reported that they do not require social security numbers for recreational licenses. We do not know if the federal government has or will be imposing penalties on their programs as a result.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

None.